

FINAL BILL REPORT

SHJM 4028

As Passed Legislature

Brief Description: Requesting that funds be promptly disbursed to Holocaust survivors.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Schual-Berke, Ruderman, Kagi, Dickerson, Kenney, McDermott, Darneille, Pettigrew, Miloscia, Haigh, Chase, Edwards, Morrell, Conway, Clibborn, Fromhold and O'Brien).

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Services, Insurance & Housing

Background:

Holocaust Era Insurance Policies

The proceeds of many insurance policies issued prior to and during World War II to Holocaust victims were not paid to victims or their survivors. The burden has generally been on the victims and/or their families to provide paperwork to prove their claims. However, locating old insurance policies proved difficult because many Holocaust victims were forced from their homes and divested of their personal property (including their records). In many instances, insurance company records are the only remaining proof that insurance policies existed. In addition, many insurance companies required a claimant to produce a death certificate to prove that life insurance proceeds were owing. Because death certificates were generally not prepared for most Holocaust victims, it was often impossible to meet the insurance companies' documentation requirements.

Some insurance companies assert that they paid Holocaust victim insurance policy benefits over to governments during World War II. Other insurance companies claim that the assets to pay policies were seized by military forces during the war. In Eastern Europe, some insurance companies were nationalized by socialist governments and the money from unpaid policies was appropriated by the state.

Most European insurance companies that sold Holocaust era policies currently participate in the American insurance market or have business affiliations with companies in the American insurance market.

The International Commission on Holocaust Era Insurance Claims (ICHEIC) was established to investigate and facilitate the payment of insurance proceeds to Holocaust victims and their survivors. The National Association of Insurance Commissioners (NAIC) voted to establish a working group on Holocaust era insurance issues. The Washington Insurance Commissioner (Commissioner) holds a seat on the International Holocaust Task Force of the NAIC.

The Holocaust Victims Insurance Relief Act

In 1999, the Legislature enacted the Holocaust Victims Insurance Relief Act, which created the Holocaust Survivor Assistance Office within the Office of the Insurance Commissioner to assist Washington's Holocaust victims, their families, and their heirs recover insurance proceeds and other assets improperly denied. Any insurer that sold insurance policies in Europe that were in effect between 1920 and 1945 must file information regarding such policies with the Commissioner. Insurers are required to file a list of insurance policies issued, including names of the insureds, beneficiaries, and face amounts of such policies, a comparison of names and other available identifying information of insureds and beneficiaries of such policies, and names and other identifying information of Holocaust victims; whether the proceeds have been paid to beneficiaries and whether a diligent search was conducted to locate beneficiaries; whether, if beneficiaries could not be located, the proceeds of the policies were distributed to Holocaust survivors or qualified charitable nonprofit organizations for the purpose of assisting Holocaust survivors, and, whether a court has resolved the rights of unpaid policyholders and certified a plan for the distribution of proceeds or the proceeds have not been distributed. The Commissioner may suspend the certificate of authority of an insurer who fails to comply with this act and may issue civil penalties of up to \$10,000.

Distribution of Settlement Funds

A settlement was signed with Swiss banks in 1999 providing for \$1.25 billion in payments for victims of the Holocaust. The United States District Court for the Eastern District of New York oversees the Swiss settlement and is considering the reallocation of up to \$600 million in unclaimed settlement funds to be used for humanitarian purposes benefitting needy Holocaust survivors around the world. There are as many as 174,000 Holocaust survivors in the United States, many of whom are elderly and infirm.

As a result of an agreement between the ICHEIC, the Federal Republic of Germany, and other parties, a Humanitarian Fund of \$165 million has been created to assist needy Holocaust survivors. The ICHEIC Humanitarian Fund has, to date, distributed \$2.4 million for the benefit of survivors in the United States, including \$12,000 in Washington.

Summary:

The Legislature requests that any and all humanitarian or other discretionary funds obtained for, or on behalf of, Holocaust survivors, be promptly disbursed in order to meet the basic needs of the survivors and that the funds be disbursed to the numbers of Holocaust survivors in proportion to their numbers worldwide based on accurate population data, with full and transparent accounting for the use of funds disbursed.

The Legislature further requests that the Commissioner use his position on the NAIC International Holocaust Commission Task Force to further the intent of this memorial and that copies of this memorial be immediately transmitted to the Chair of the ICHEIC, the United States District Court for the Eastern District of New York, and the Washington Insurance Commissioner.

Votes on Final Passage:

House 93 0

Senate 49 0